

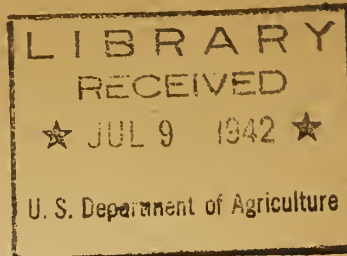
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UNITED STATES DEPARTMENT OF AGRICULTURE  
Agricultural Marketing Service  
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MORE PORK FOR AMERICA AND OUR ALLIES

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The topic I have been asked to discuss is "More Pork for America and Our Allies." I have assumed that meant the kind of "pork" you hog raisers produce and not the kind of "pork" we hear so much about in Washington. I don't know much about the latter but it looks as if we are going to have a bumper crop of the former this year.

In December the Department of Agriculture reported that the combined spring and fall pig crops in 1942 might exceed 97 million head--a production that would surpass all previous records by 10 million hogs. That's a lot of hogs.

A pig crop of that size will mean a considerably larger slaughter this year, of course. The revised goal for hog slaughter has been set at 83 million head, and if death losses from the 1942 pig crops are about average, we will reach the goal with little difficulty. I might point out in this connection that 83 million hogs for slaughter would likewise set a new record.

The large slaughter in prospect this year has undoubtedly raised a number of questions in your minds, and foremost, perhaps, are these: What is the outlook for prices? Do we need such a big supply of pork and pork products? If so, just how will it be distributed? Will any special adjustments be necessary in the way of production and marketing? What is the long-time outlook for pork and lard?

I'll attempt now to answer these questions as briefly as possible, and when I've finished, I'll try to answer questions from the audience.

Let's look at prices first. All of us realize, and certainly the Secretary of Agriculture does, that if production of pork and lard is to be increased this year, farmers must get reasonable prices for their hogs. The entire hog production program from the start has been based on this assumption. As far back as April 1941 the Department of Agriculture announced that it would maintain hog prices at approximately the \$9.00 level, Chicago basis, until June 30, 1943.

Later Congress passed Public Law No. 147, which orders the Secretary of Agriculture to use the machinery of the national farm program to support prices of a number of nonbasic farm products whenever, in his opinion, there is a need for increased production. Thus the Secretary recently announced that the Department, through loans, purchases, and other operations, would support hog prices at 85 percent of parity during the period ending June 30, 1943.

These two commitments-- the \$9.00 basis, and the 85 percent of parity--mean that it is the intention of the Department to support hog prices at the \$9.00 level, seasonal variations considered, or at 85 percent of parity--whichever is higher--until June 30, 1943. For some time, now hog prices have been substantial above both of these levels.

So much for prices. Now let's see if we really need all of the pork and pork products we will probably get this year. I make no claims as to my statistical ability, but I have some figures here that indicate rather strongly our real need for more pork and lard:

Last year we produced nearly 9.6 billion pounds of pork, about 400 million pounds of which were exported. This year we will produce in the neighborhood of 11.2 billion pounds, of which we will export at least 1.25 billion. That will leave 9.75 billion for domestic consumption--slightly more than last year.

We are reasonably sure that domestic consumption of pork will increase this year. National income is apparently going to be larger than it has been for a long time and there is a very close relation between income and the amount of money spent for meat. It is significant that a large part of the national income will be paid to wage earners in the lower income brackets, and this group includes a lot of heavy pork eaters. To put it another way, it's going to take a lot of pork chops to build all of the war equipment we'll need this year.

Lard production during 1941 was 2.3 billion pounds. Of this quantity, we consumed nearly 2 billion pounds in this country and exported 300 million pounds. Production in 1942 is estimated at 2.8 billion pounds. We will consume at least 2 billion pounds again this year and export the remaining 800 million.

These figures indicate, to me at least, that we have not set our sights too high when we ask that 83 million hogs be slaughtered this year. That number will be used without any difficulty and we won't have to worry about a surplus.

The storage situation is not expected to cut much ice. Our holdings of pork on January 1 were about 30 percent under those of a year earlier, but about equal to the average of the last 5 years. Lard holdings were much less than a year earlier, but substantially more than the average of the last 5 years.

Now I'd like to go into a few problems that may arise in connection with our expansion of hog production. For example, the question has been raised as to whether the facilities for slaughtering hogs and processing hog products will be adequate if the high level of marketing that is now in prospect is attained in 1942 and 1943. That problem is now being studied by representatives of the packing industry and of the Department of Agriculture. The way things look now, however, it seems likely that no serious difficulties will be encountered in packing and processing during the present hog marketing year ending September 30, 1942.

It is a little early to be concerned about the capacity to slaughter hogs that have not been farrowed, and there are a lot of things that may happen between now and next fall. However, if it seems likely that facilities for processing hog products will be seriously taxed next winter, farmers will be urged to plan their feeding practices in such a way as to bring about a better distribution of the hog crop through the fall and winter months. These efforts may be augmented by the distribution of Lend-Lease purchases by the Department in such a way as to make early and late marketing somewhat more advantageous to the farmer.

During the past several years there has been a tendency for hog slaughter to move toward the western part of the Corn Belt. This has resulted in the rather complete utilization of plant capacity in that area and a lack of complete plant utilization in the area east of the Mississippi. Thus it seems likely that for the country as a whole a considerably larger volume of hogs can be handled without a material increase in new construction. The recent development of a quick-cure method for processing hams and shoulders has materially increased plant curing capacity. A substantial expansion in pork canning facilities has already taken place, too, as a result of Lend-Lease purchases. I don't think we need to worry too much about the processing situation.

Maybe we ought to worry a little more about increasing lard production, though that may seem odd to some of you who remember the situation not so very many months ago. At that time hog producers and processors the country over were bending every effort to increase the demand for lard, which was selling at a very low price. Since that time there has been a very substantial improvement in the demand for all fats and oils.

The increase in export shipments and the falling off of imports from the Far East, of course, have been largely responsible for the improvement that has taken place. These imports have consisted largely of coconut oil and copra from the South Pacific islands and the Philippines and palm oil from the East Indies. The latest revised ceiling on lard was \$10.93 for prime steam lard, Chicago basis, though lard prices have since dropped a little below that ceiling.

Domestic demand for fats and oils in 1942 and 1943 will probably be the strongest in over 20 years, and substantial purchases for Lend-Lease are in prospect. The curtailed imports of oil and oil seeds from the Pacific area will probably result in a deficiency equivalent to 8 or

10 percent of our requirements without an increase in domestic production. A material increase in domestic production is necessary, then, if our expected requirements are to be met and stocks maintained at a safe level.

The most effective method of increasing lard production during the present emergency is by marketing heavier hogs. The heavier they are and the higher degree of finish they carry when they are marketed, the higher percentage of lard they will produce. A highly finished butcher hog will yield twice as high a percentage of lard as a medium-grade, light-weight hog. Findings from some experimental work indicate that the proportion of fat from a 175-pound hog is 37 percent; from a 230-pound hog 43 percent; from a 275-pound hog 48 percent; and from a 365-pound hog 55 percent. Thus by carrying hogs to heavier weights we can automatically increase our lard production.

Some producers have interpreted this recommendation for marketing heavier hogs to mean a shift from the meat type to the lard type. I think such a misunderstanding is unfortunate, especially here in Wisconsin. As you are doubtless aware, the Department of Agriculture has recommended the production of meat-type hogs that yield a relatively high percentage of the leaner pork cuts in relation to lard, and the Department is not backing down on that recommendation now. The Department is simply recommending that hogs of all types be marketed at heavier weights, and we question the advisability of changing from the meat-type to the lard-type hog because of the abnormal demand for lard that now exists.

While I am on the subject of lard, I would like to discuss some of the things that are being done in the way of increasing consumer acceptance of this product. In the first place, there are a number of complications involved in standardizing and grading lard in such a manner that consumers may be assured of getting a satisfactory product when they buy at the grocery store. The selection of fat is the first step in the process.

The Bureau of Animal Industry has helped out in this regard by establishing a standard of identity for lard. By this standard lard and rendered pork fat that may be sold in interstate commerce are defined in such a way that fats not considered suitable for the manufacture of good lard, at least without extensive processing, are rendered into what is called "rendered pork fat."

The meat packing industry, through the American Meat Institute's Committee on Scientific Research, has also been working on the lard problem. It has established a minimum standard for lard, based on moisture, extraneous matter, taste and color, free fatty acid content, and stability. This minimum standard has been quite generally adopted by the meat packing industry.

The National Livestock and Meat Board has accomplished a great deal in promoting the use of lard by consumers.

Lard must be rapidly and correctly processed, and after it is processed it must be handled rapidly and kept at proper temperatures throughout the process of distribution. As yet, no method of standardizing lard distribution has been developed; at least none has been developed that will insure the delivery of "good" lard across the counter in the retail grocery store. There is ample opportunity for improvement in this field if lard is to attain the position in the shortening field to which it is entitled.

Very briefly, now, I would like to touch on a few long-range developments. Some of us from the Department of Agriculture are of the opinion that the demand for pork and lard both at home and abroad may be increased as a result of the war and Lend-Lease purchases. For example, a number of canned pork items are meeting with an excellent reception in England. Canned luncheon meat is one of them. There has been a splendid response on the part of the packing industry to the request for increased production of canned pork luncheon meat for export, and thousands of cases of that product have already been distributed in England. It is particularly well adapted for Lend-Lease purchase and distribution because it is sterile and may be kept without refrigeration for a considerable length of time.

The British have found that they can utilize the cuts of meat produced from our hogs, which are considerably fatter than those to which the British have been accustomed. Such cuts have been utilized to good advantage in a number of areas. Naturally, we are hoping that the Lend-Lease Program may result in the development of a permanent demand for these products.

It is probable that we shall be called on to export food to Europe in large quantities after the war is over and the world has undertaken the tremendous job of post-war reconstruction. Then, too, there is an enormous potential demand for pork among the low-income families in our own country. I have little doubt that there is going to be ample time for farmers to make whatever adjustments are going to be necessary when the emergency is over.

But, whatever our post-war problems may be and however abrupt and drastically it may be necessary for farmers to adjust their hog production, the job at hand right now is to win the war. That means we need large quantities of pork for ourselves and our allies. Right now, by increasing hog production, farmers can make a major contribution to our national war effort. At the same time they can increase their income by raising more hogs and marketing more pounds of pork or lard on the hoof.

